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Spotlight

ON FOREIGN MARKETING

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TO U.S. AGRICULTURAL ATTACHÉS AND FAS STAFF MEMBERS

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CURRENT SERIALS

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OVERSEAS WORKSHOPS PLANNED JANUARY 24 - FEBRUARY 16

A series of five overseas market development administrative training sessions is scheduled for January 24 - February 16 this year.

The opening day general session for attaches and cooperator personnel will be concerned with administrative procedures relating to: employment applications; reserves for severance pay; local laws and customs; property purchase and disposition; project accounting, billing and reporting systems; billings and reimbursements; and fiscal methods and needs in automatic data processing for machine tabulation of cooperator billings.

Subsequent meetings at each of the workshops will include individual sessions with attaches and with cooperator personnel. The sessions with attaches only will emphasize reference checks, training session on development of marketing plans, commercial audits, bank procedures, and other matters. The discussions with individual cooperators will focus on use of FAS funds and specific administrative problems.



Trade shows have proved to be an effective means of introducing American agricultural products abroad. Shown are some of the 1,618 Japanese government and trade representatives at the recent Tokyo Trade Center Seed Show and Seminar sponsored by the American Seed Trade Association. Many new trade contacts were made by the 13 exhibitors.

The FAS training team for the general group sessions will be Francis Harrell, Pete Gips, and Reiter Webb.

The schedule for the workshops is as follows:

Tokyo	January 24 - 28
Cairo	Jan. 31 - Feb. 2
Rome	February 3 - 8
Zurich	February 9 - 11
Rotterdam	February 14 - 16

Complete details on the workshops are being forwarded to the pertinent attache and cooperator personnel. The Tokyo workshop will include representatives of WA, USFGC, ASA, NRA and IAPI; Cairo - SBC and DSI; Rome - SBC, USFGC and NRA; Zurich - RCMD and IAPI; and Rotterdam - GPW and CCI.

WINNER AND SCHOLZ REPORT PROGRESS AT TRADE CENTERS

Elmer Winner, Assistant Agricultural Attache at the London Trade Center, and Bill Scholz, Agricultural Officer at the Milan Trade Center, reported on their overseas operations in Washington last month.

In the U.K., considerable emphasis is being placed on in-store promotions. These have worked out quite successfully. For example, 11 Selfridge and Lewis Department Stores, all with large food departments, carried on a fortnight promotion last spring. Sales of American food products for this period amounted to \$50,000, as compared to \$30,000 for the previous two weeks. More important was the fact that new American food lines were brought into these important retail outlets. The chain bought from 25 U.S. food companies, as compared to 10 before the in-store promotion began.

Elmer hopes to have 1,000 stores in a forthcoming promotion in Manchester. A special newspaper will be issued in connection with the promotion.

Efforts in Milan have been more on commodity promotions than store exhibits. Interest right now is centered on feeder cattle and calves for veal production. Bill reports that a show at the

Trade Center this month will have 11 participants representing beans, peas, lentils, prunes, potatoes, frozen and canned foods. Chain stores are beginning to develop in Italy and in-store promotions are being considered for some future date.

MANY ERS RESEARCH STUDIES AVAILABLE TO COOPERATORS

The Foreign Regional Analysis Division of the Economic Research Service, U.S. Department of Agriculture works in the foreign field. Its function is to analyze effects of world, regional, and country developments and trends in agricultural production, consumption, and trade to disclose opportunities for developing new markets and maintaining and expanding existing markets for U.S. farm products

The research covers three areas: (1) long-range outlook for U.S. farm exports; (2) foreign competition and demand by country and region; and (3) quantitative evaluation of foreign production, utilization and trade in farm products.

Some of the recent ERS research publications of interest to cooperators include:

The World Agricultural Situation - January 1966. The report shows that total world production of agricultural products in 1965 was about 1 - 1/2 percent higher than in 1964, a smaller gain than in each of the previous 2 years. Food production -- dominated by the cereal crop, which increased only 1 percent, rose significantly less than the rise in world population.

The World Food Budget, 1970 - This report - published October 15, 1964 - presents the results of an expanded ef-



Seminars have been useful in providing technical information on the processing and use of products made from U.S. agricultural commodities. Shown is a scene from the Soybean Council Fats and Oils Industry Seminar in Izmir.

fort to study the supply and utilization of food commodities for the countries of the world, assesses world food needs, and evaluates the problems and possibilities of closing the food gap.

In connection with the world food budget, projections have been made for U.S. exports of major food commodities or groups of commodities to 18 regions of destination. These projections were reviewed and revised this past year and projections to 1980 were made for major commodities. The export projections are included in A Look Ahead for Food and Agriculture published in the January 1966 issue of Agricultural Economics Research.

Over the past seven years, contracts have been signed for thirty 18-36 month studies to give long-term projections of supply and demand. Nine of the studies have already been published.

Two of these studies were published during the past year. Ghana: A decrease in import requirements in 1975 is projected for rice and tobacco and an increase for wheat, meat, and dairy products. West Indies Federation "Area" and British Guiana: Sharp import gains are projected. Largest gains are indicated for wheat and wheat flour, coarse grains, vegetables, pulses, meat, cotton, and tobacco.

Six of the studies were completed during the year and are now in the process of publication. France: The studies indicate that imports of oilseeds, vegetable oils, oil cake, and tobacco probably will increase. Malaysia: Increased imports of fruits, meats, dairy products and wheat and flour are expected. Pakistan: An upward trend in imports of rice, wheat, and dairy products. Saudi Arabia: Rising import needs for wheat and flour, rice, fresh fruits, and sugar. Spain: Substantial increases in imports of feed grains, edible oils, livestock products, and tobacco. Venezuela: Rapidly rising needs for imported wheat, coarse grains, certain fats and oils, canned milk and cheese, beans, and seed potatoes.

Information on ERS studies and publications can be secured by writing to Quentin M. West, Director, Foreign Regional Analysis Division, Economic Research Service, U.S. Department of Agriculture, Washington, D.C. 20250.

RECENT ACCOMPLISHMENTS

As we begin a new year, we look back with pride on some of the recent accomplishments in the market development program.

Cotton: Sales of cotton goods in the Netherlands increased significantly in 1965 as a result of the pilot consumer advertising and merchandising program of Cotton Council International. The program was backed by more than a year's market research and planning.

Other cotton-producing countries made plans to join forces with the U.S. and CCI in an international promotion program to fight inroads being made by man-made fibers. Producing countries joining the International Cotton Institute will contribute one dollar per bale on their exports to Western Europe and Japan.

Feed Grains. Exports of U.S. feed grains, partly as a result of activities by the Feed Grains Council over the past five years, have reached a record high of about \$100 million per month. Most of this is corn and sorghums, but newcomers to the export business, like dehydrated and sun-cured alfalfa and feed additives have also increased.

Japan and Italy were among the outstanding success stories. Exports of sorghums to Japan reached the million ton mark in 1965, seven times the exports of 1960. Alfalfa meal exports to Japan were about 200,000 tons, as compared to zero only a few years ago. Exports of U.S. feed grains to Italy totaled 2.0 million tons in FY 1965, as compared to 1.1 million tons in FY 1963.

Soybeans. Continued gains were registered for soybeans and soybean products. Exports of soybeans to Germany exceeded 1.4 million tons, making it the world's largest purchaser of U.S. soybeans. Soybean oil exports to Spain were over 230 million pounds, another high mark in the export program. Exports of soybean meal continued to in-

crease to meet the expanding needs of the livestock industries abroad. Cooperative activities of the Soybean Council and American Soybean Association helped to bring these increases about.

Poultry. Promotions by the Institute of American Poultry Industries helped boost turkey exports. Germany with purchases of 27 million pounds became the major market for U.S. turkeys, accounting for over half of total exports. Sales to Italy were around 6 million pounds, about 10 times the volume in 1962.

Breeding cattle. Exports of beef and dairy breeding cattle reached an all-time high. Promotional efforts of the Holstein-Friesian Association in Italy paid off with exports of about 5,300 head over the past 17 months. This compares with 17 head in 1963; 37 in 1962 and only 4 in 1961.

Wheat. Negotiations initiated by the Wheat cooperators and the Department of Agriculture brought about a reduction of westbound rail freight rates from wheat-producing areas in Montana, North Dakota and South Dakota and enabled U.S. hard red spring wheat to become competitive in the Japanese market. Efforts by the cooperators also helped open up a market for U.S. durum wheat in Japan.

Fruits and Vegetables. Exhibits of air-freighted products at the London Trade Center and Brussels and Cologne fairs initiated interest in such perishable items as strawberries and asparagus. As a result of this and recent air-freight reductions, exports of fresh strawberries to Europe were up about 300 percent from the preceding year.

Hides and Skins. Exports of hides and skins were valued at \$101 million in FY 1965, as compared to \$82 million

the previous year. Japan continued to be the primary market and displays of U.S. leather in Paris, Berlin, Milan, and Madrid helped boost sales in the European market.

Animal fats. Europe and Japan bought record quantities of U.S. animal fats in FY 1965, \$195 million worth, up \$43 million from the previous year. Activities of the National Renderers Association greatly assisted in this development.

Peas and Lentils. A cooperative program with the Washington State Department of Agriculture opened up a market for peas and lentils in Japan. The promotional activities started with an industry-government exhibit at the 1965 Tokyo Fair.

Rice. Rice exports were at a record 1.4 million tons in 1964-65. They are expected to go even higher in 1966. The big increase this past year were in dollar sales, aided by promotions of the Rice Council for Market Development.

Trade Fairs. In addition to the regular U.S. food exhibits at the 1965 Cologne and Brussels Fairs, areas were set aside exclusively for trade use to give representatives of U.S. firms an opportunity to meet and talk business with their customers. The technique worked successfully and a large number of sales resulted. As of December 15 and on the basis of 35 percent of the exhibitors reporting at Cologne and 44 percent at Brussels, sales and projected sales amounted to \$4,126,000.

In-store Promotion. The U.S. Trade Center in London operated a series of in-store promotions with 4,000 retail food outlets. Sales increased as a result

of the promotions and new American food items were introduced that give promise of additional sales for the future.

ATTACHE ASSIGNMENTS

Jim Lankford, ARS, will be the Attache in Stockholm, beginning in early February. He replaces Hugh Robinson who will be returning for a Washington assignment.

John Hobbes, FAS Livestock and Meat Products Division, will be going to Santo Domingo in March to open up a new post as Attache for the Dominican Republic, Haiti, and Jamaica. The remainder of the Caribbean area will continue to be handled by Frank Ehman out of Trinidad.

Gordon Lloyd, FAS Grain and Feed Division, will be going to Ottawa as Assistant Attache, replacing John McDonald who is returning to the Office of the Secretary.

Quentin Bates has returned as Attache in Buenos Aires to become Director of the FAS Operations Analysis Division, International Trade. His assistant in B.A., Dick Welton, will also be returning for a Washington assignment.

NOTE FROM EDITOR

I would appreciate your ideas on items for SPOTLIGHT. Highlights on your success stories, market development activities, and future plans would be particularly welcome. Photos also could be used, as well as items on new market development techniques, meetings, personnel and office changes. Deadline for copy is the first of each month.

Lloyd Williams, Editor



HERE and THERE

Clarence Palmby, U.S. Feed Grains Council, was the speaker at the January meeting of the Washington, D.C. Chapter of the American Marketing Association, Clarence discussed the present position of U.S. feed grains in world markets and some of the problems and opportunities for the future.

The Japan Cotton Center's 1965 cotton fair, held in four cities, attracted 38,500 manufacturers, wholesalers, retailers, and design students to see new fabric and product lines. This was ten percent more than in 1964 and twice the largest number of visitors to other textile exhibits in the same cities.

Horseradish was among the success stories at the ANUGA Cologne fair. A U.S. combination export manager had orders for 74 tons of horseradish roots and tentative orders for an additional 100 tons. The orders would add up to about \$80,000. The firm also made initial contracts at the U.S. exhibit for sales of processed peaches and green beans. The company writes " . . . if we were to visit all the good prospects we met at the fair, it would have taken us a minimum of six months to a year to duplicate this effort."

A 4-man feed grain team from Portugal visited the U.S. November 4 - 20 as guests of the Feed Grains Council and FAS. The team learned about methods of feeding and livestock and poultry management in the U.S. and visits were made to corn and sorghum-producing areas and with some of the principal exporters. Larry Thomasson, Agricultural Attache in Lisbon, accompanied the team.

Phil Eckert, formerly Agricultural Attache in Bonn, has been designated to act as Director of the FAS Grain and Feed Division succeeding Ray Vickery who has been named Director of the new FAS Office of Reports and Statistics. The new position will be directed to modernizing the system of collecting, assembling, analyzing, and disseminating commodity statistics to meet current and prospective needs with maximum efficiency.

U.S. wheat exports to Japan continue high with estimates for the second half of the September 1 - March 31 fiscal year ranging from 817,000 to 855,000 tons. The Japanese Food Agency purchased 3,000 tons of U.S. durum wheat in December, the first regular commercial purchase of durum by that country. Meanwhile, Wheat Associates is working with the Japan Macaroni Association on a durum macaroni-spaghetti promotion. Eighty cooking seminars are planned over the next 12 months to promote the use of U.S. durum in Japan's growing pasta industry.

